



MILITARY EQUIPMENT VALUATION & ACCOUNTABILITY
KNOWLEDGE. CONFIDENCE. TRUST.

Military Equipment Accountability Improvement Plan



Improving ME Accountability

at the Enterprise Level

Not New:

Components must maintain accountable records for their Military Equipment

- **What it is**
- **Where it is**
- **Who's it is**
- **What's its condition**
- **What's its value**

New:

Components must now:

- **Manage and report this data at an enterprise level**
- **Demonstrate inventory confidence to 98% (DoDI 5000.64)**
- **Attest and assert to this data**

Improving ME Accountability *at the Enterprise Level*

History

- **OUSD Memo UID for Tangible Legacy (12/04)**
 - Implement UID for existing legacy personal property
 - Registration of all existing serialized assets that meet the criteria for IUID in to the Registry
- **OUSD Memo Policy Forecast /Accountability (09/05)**
 - Make property accountability a priority DoD-wide; focus on the people, processes and systems.
- **Internal Validation and Verification Project (06/06)**
 - ME existence is a vulnerability.
- **OUSD Memo MEVA Way Forward (11/06)**
 - Accountability improvement plan requirement.
- **DODI 5000.64 Revised and Expanded (11/06)**
 - Framework for effective and efficient *and continuously maturing* accountability of DoD-owned personal property.
- **OUSD Memo Update for IUID of Tangible items (2/07)**
 - Phased approach to establishing legacy items thru 2010 with critical mass established 2007

Improving ME Accountability

at the Enterprise Level

- Goal: **To identify our Military Equipment assets and to establish existence of these assets**

- Objective: **Move DoD into a position of confidence that we have controls in place to state with reasonable assurance that:**

1. What is accepted into DOD inventory is reported
2. DOD has the authority to report it (3 way match)
3. What has been reported is
 - Current, Correct and Complete
 - at the location and in the condition reported
4. What is reported is reconciled to financial records

- OSD ME Accountability Improvement Plan approach:
 - Phase I – Gap Analysis (desktop)
 - Phase II – Corrective Action Plans
 - Phase III – Performance Measurement

OSD ME Accountability Improvement Plan

3-Phased Approach

	<< COMPLETE >>	<< In Development >>	
AIP	Phase I Gap Analysis	Phase II Corrective Planning	Phase III Performance Measurement
General Plan	Evaluate DoD equipment management controls; desktop review of OSD/Component policies, system and management practices	In-depth validation of property controls; incorporates Component self-assessments and Service-level improvement activities; design OSD CAPs	Ensure corrective actions achieve resolution; incorporates accountability improvement measures of success
Expected Outcome	ID problem areas and gaps that hinder existence assertions.	Design/implement corrective actions that position us for audit readiness (existence)	Firm basis for informed management decisions specific to military equipment existence assertions.
Expected Complete	1Q 08	1Q 09	4Q 09

OSD ME Accountability Improvement Plan

Phase I findings - *broad stroke*

Phase I EO: Gap Analysis EC: 1Q 08	People Validate APO Controls for Designation/Training	Process Validate Property Controls for E&C (EM, PI & 3 rd Party)	Systems Validate ASRS & APR Use of WAWF & IUID Loads
<p>Generally - what we discovered</p>	<ul style="list-style-type: none"> ▪ Formal designation is addressed ▪ Largely collateral ▪ Training appears informal (OJT/ad hoc) as opposed to clearly defined and required. 	<ul style="list-style-type: none"> ▪ Policies and standard procedures for “property file” controls are well defined. ▪ Newer requirement (IUID, self-audits, maturity assessment, confidence levels) not yet incorporated. 	<ul style="list-style-type: none"> ▪ <i>Services all look to their ERP solution for improved accountability</i> ▪ No pure ASR were identified for ME (<i>REMIS appears to be close</i>). ▪ Few Interim-ASRs provide total “lifecycle story” ▪ APRs not using UII as common key ▪ Few intend a robust interface from their Interim-ASRs to the IUID registry ‘now’; resources focused on ERP.